

ZSE closes half year with a 35.59% YTD return...

| | Previous | Current | Change | %Change | YTD % |
|-------------------|----------|---------|--------|---------|-------|
| Industrial | 191.15 | 195.97 | 4.8200 | 2.52 | 35.59 |
| Mining | 69.79 | 69.79 | 0.0000 | 0.00 | 19.28 |

The ZSE remained bullish through to the end of the month as local demand sustained its buoyancy. Driven by the bullish trend, the benchmark Industrial Index ended week 195.97pts. Incidentally the weekend coincided with the second quarter's end and half year end where the benchmark Industrial Index closed with a year to date return of 35.59% and while, that of the Mining Index closed at 19.28%. The market's rising tide has largely been anchored by the ever growing local demand as investors opt for assets rather than long positions in cash. The surprisingly better performances from some companies also drive the market demand spurring appetite for equities. Elsewhere, Government underlined its drive towards economic recovery with the setting up of the board for Special Economic Zones, which is tasked with identifying the special zones and incentives to encourage investment in those identified areas. Financial results continued to trickle in with Star Africa and Bindura giving the market their numbers to March 2017, with the former reporting improved revenues while, the latter's performance was almost flat on last year.

Weekly Risers

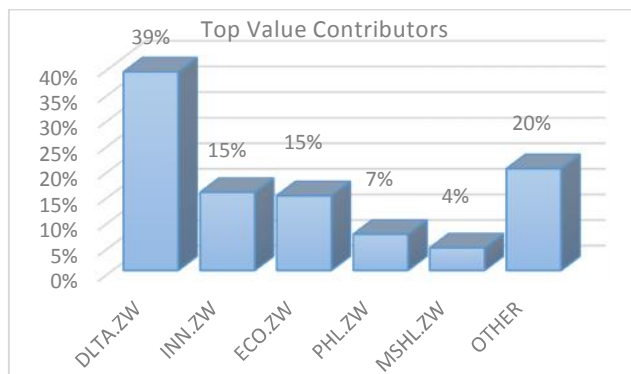
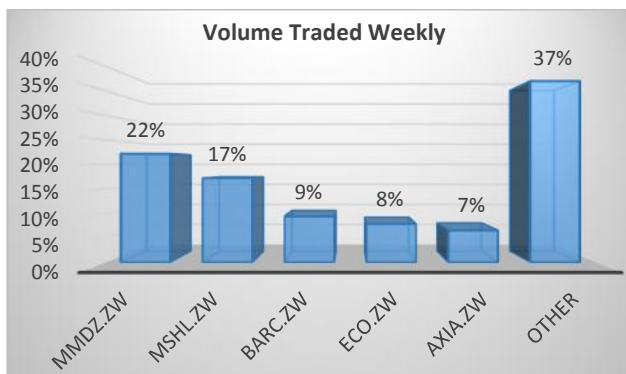
| RISERS | PRICE | % Change |
|---------|--------|----------|
| MSHL.ZW | 0.0480 | 54.84 |
| BARC.ZW | 0.0408 | 20.00 |
| PWS.ZW | 0.0420 | 20.00 |
| SACL.ZW | 0.0120 | 20.00 |
| UNIF.ZW | 0.0120 | 20.00 |
| OKZ.ZW | 0.0950 | 11.76 |
| LACZ.ZW | 0.5000 | 11.11 |
| NICO.ZW | 0.0300 | 9.09 |
| NPKZ.ZW | 0.0500 | 8.70 |
| FML.ZW | 0.1060 | 8.16 |

Construction group Masimba holding limited was for the second week running the top gainer as swelling demand pumped up the price. The group surged 54.8% for the week and closed at \$0.0480 while, banking group Barclays followed after charging 20% to \$0.0408. Powerspeed, Star Africa and Unifreight were in identical 20% advances as they closed at respective prices of \$0.0420, \$0.0120 and \$0.0120. Retail group OKZIM led the mid tier stocks advances after climbing 11.76% on firm demand; the group had remained fairly unfazed after a decent full year performance where profitability was up by almost 800% albeit coming from a low base. Cement manufacturers Lafarge were up 11.1% at \$0.5000 where it closed offered with demand seemingly depressed at this top level. Short term insurers Nicoz Diamond which is trading under cautionary at the moment closed the week 9.1% firmer at \$0.0300 as packaging manufacturers Nampak Zimbabwe put on 8.7% and closed pegged at \$0.0500. Insurance group FML completed the top risers of the week on gains of 8.16% as it touched \$0.1060.

| FALLERS | PRICE | % Change |
|---------|--------|----------|
| MEIK.ZW | 0.2500 | 3.85 |
| RTG.ZW | 0.0099 | 1.00 |

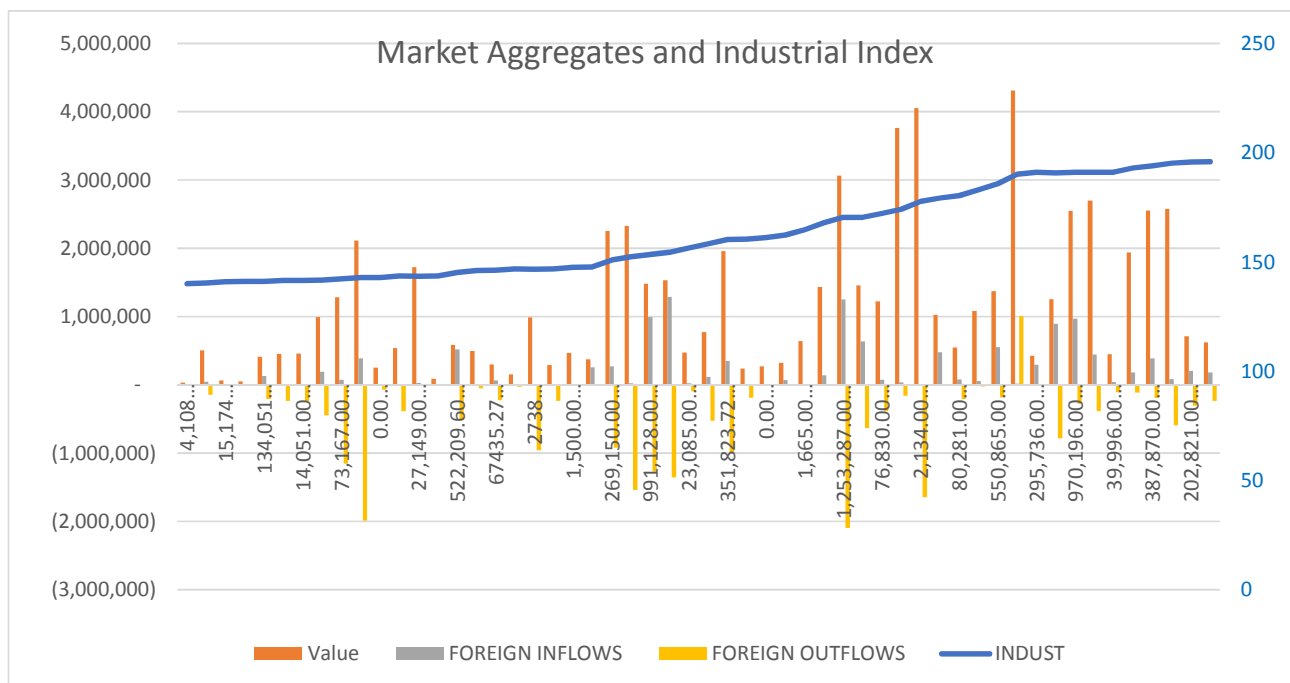
Only two counters closed the week in the red to underline the bullish sentiment which prevailed over the week. Diversified group Meikles whose recent rally rode on news of a potential takeover bid succumbed to profit taking and shed 3.85% for the week as it settled at \$0.2500. Hoteliers RTG were down 1% for the week and closed set at \$0.0099 on growing demand

ZPI Block trades highlights trading week...



| | Previous | Current | Change | %Change |
|----------------|----------------|---------------|--------------|---------|
| Values | 7,388,521.43 | 8,404,908.88 | 1,016,387.45 | 13.76 |
| Volumes | 184,979,066.00 | 45,124,296.00 | 139,854,770 | 75.61 |

Weekly market activity aggregates reflected a mixed outcome with the spend closing 13.76% firmer at \$8.4m despite a 75.61% slump in the volumes traded as investors cherry picked in the market's value stocks. Beverages giant Delta emerged the top traded stock for the week after accounting for 39% of the action while, Inncor and Econet accounted for similar 15% volumes. Volumes of the week were driven by Medtech and Masimba which accounted for 22% and 17% of the aggregates.



In the News

Fertiliser industry requires \$120m for raw materials

Zimbabwe's fertiliser industry requires over \$120 mln in foreign currency for the importation of raw materials used in the manufacture of compound and top dressing fertilisers for the forthcoming summer cropping season. <http://www.herald.co.zw/fertiliser-industry-requires-120m-for-raw-materials/>

Banks net profit increases by 30 percent

Zimbabwean banks' aggregate net profit for the quarter to March rose 30% to \$50 mln compared to \$38.55 mln recorded in the corresponding quarter last year as cost containment measures in the sector begin to pay off. <http://www.herald.co.zw/banks-net-profit-increases-30-percent/>

Govt, Banks row over 99 year leases

A row has erupted between local financial institutions and Government over the bankability of 99-year leases which had been primed as the solution for farmers to unlock credit from banks. <http://www.herald.co.zw/govt-banks-row-over-99-year-leases/>

POS transactions net in over \$1bn

Increased use of plastic money in transacting propelled the value of transactions through point of sale terminals beyond \$1 bln in the four months to April 2017, statistics from ZimSwitch show. <http://www.herald.co.zw/pos-transactions-net-in-over-1bn/>

Liquid telecoms to launch \$700m bond

Liquid Telecoms is set to launch a \$700 mln bond and long-term financing package to support the group's existing debt and growth strategy. <http://www.herald.co.zw/liquid-telecoms-to-launch-700m-bond/>

Govt finalizing cotton price structure

Government says it is now finalising the new prices for different grades of cotton ahead of the beginning of the selling season. <http://www.herald.co.zw/govt-finalising-cotton-price-structure/>

RioZim loses Trust bank loan battle

RioZim Limited has lost its legal battle to have the loan it obtained from Trust Bank reduced to \$500 000 from \$1.8 mln after the High Court reversed a default judgment the mining company had secured against the bank. <http://www.herald.co.zw/riozim-loses-trust-bank-loan-battle-2/>

Mobile share trading by October- SECZIM

SECZ) is planning to introduce mobile share trading by October this year, in a move that could open the capital markets to broader participation. <http://www.financialgazette.co.zw/mobile-share-trading-by-october/>



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